

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2003**

	June-03					March-03				December-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
LARGE CAP DOMESTIC EQUITY																					
<i>Structured Growth</i>																					
AllianceBernstein	25,438,969	2.2%	2.3%	10.84%	0.46%	23,134,504	2.2%	2.3%	-0.19%	20,988,434	2.0%	2.3%	3.03%	20,505,017	2.0%	2.3%	-13.56%	-1.48%	-28.98%	-20.46%	-5.64%
Russell 1000 Growth				14.31%	1.38%				-1.07%				7.15%				-15.05%	2.93%	-26.49%	-21.55%	-5.04%
<i>Structured Value</i>																					
LSV	54,659,827	4.7%	4.5%	19.61%	1.91%	46,074,462	4.5%	4.5%	-5.86%	49,089,958	4.6%	4.5%	6.45%	46,409,231	4.6%	4.5%	-18.28%	-2.05%	2.72%	9.06%	3.95%
Russell 1000 Value				17.27%	1.25%				-4.86%				9.22%				-18.77%	-1.02%	-8.96%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																					
LA Capital (Wilshire)	53,283,335	4.6%	4.5%	15.08%	1.20%	45,716,847	4.4%	4.5%	-1.89%	46,753,950	4.4%	4.5%	6.91%	44,024,480	4.4%	4.5%	-16.27%	1.08%	-17.00%	N/A	N/A
Russell 1000				15.74%	1.32%				-2.94%				8.16%				-16.91%	0.96%	-17.89%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																					
Northern Trust	50,330,536	4.3%	4.5%	15.02%	1.20%	44,099,838	4.3%	4.5%	-3.17%	45,694,064	4.3%	4.5%	8.10%	42,552,156	4.2%	4.5%	-16.71%	0.28%	-16.98%	N/A	N/A
Strong	51,536,474	4.4%	4.5%	14.32%	1.29%	45,438,197	4.4%	4.5%	-1.41%	46,239,413	4.4%	4.5%	10.08%	42,278,303	4.2%	4.5%	-16.74%	3.30%	-20.23%	N/A	N/A
Westridge	57,328,876	4.9%	4.5%	15.44%	1.27%	55,301,033	5.4%	4.5%	-3.12%	56,870,982	5.4%	4.5%	8.55%	52,967,137	5.3%	4.5%	-17.16%	0.56%	-17.54%	N/A	N/A
Total Enhanced S&P 500 Index	159,195,885	13.7%	13.5%	14.96%	1.25%	144,839,067	14.1%	13.5%	-2.61%	148,804,459	14.1%	13.5%	8.88%	137,797,596	13.7%	13.5%	-16.87%	1.35%	-18.23%	N/A	N/A
S&P 500				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.24%	-17.98%	N/A	N/A
<i>S&P 500 Index</i>																					
State Street	62,314,326	5.4%	5.3%	15.42%	1.27%	52,597,361	5.1%	5.3%	-3.15%	54,491,069	5.2%	5.3%	8.45%	47,996,287	4.8%	5.3%	-17.26%	0.31%	-17.96%	-11.14%	-1.58%
S&P 500				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.24%	-17.98%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	354,892,341	30.5%	30.0%	15.44%	1.29%	312,362,242	30.3%	30.0%	-2.88%	320,127,870	30.3%	30.0%	7.69%	296,732,611	29.5%	30.0%	-16.77%	0.49%	-17.13%	-9.68%	-2.32%
S&P 500				15.39%	1.28%				-3.15%				8.44%				-17.28%	0.24%	-17.98%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																					
<i>Manager-of-Managers</i>																					
SEI	121,352,790	10.4%	10.0%	23.58%	2.07%	97,480,362	9.5%	10.0%	-4.27%	101,226,756	9.6%	10.0%	5.20%	95,770,485	9.5%	10.0%	-19.10%	0.68%	-11.87%	N/A	N/A
Russell 2000 + 200bp				24.00%	1.98%				-4.00%				6.68%				-20.97%	0.37%	-6.59%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	121,352,790	10.4%	10.0%	23.58%	2.07%	97,480,362	9.5%	10.0%	-4.27%	101,226,756	9.6%	10.0%	5.20%	95,770,485	9.5%	10.0%	-19.10%	0.68%	-11.87%	-3.37%	-0.65%
Russell 2000				23.42%	1.81%				-4.49%				6.16%				-21.40%	-1.64%	-8.59%	-3.30%	0.97%
INTERNATIONAL EQUITY																					
<i>Large Cap - Core</i>																					
State Street	46,785,100	4.0%	4.0%	18.40%	2.84%	35,820,221	3.5%	4.0%	-8.71%	39,253,302	3.7%	4.0%	4.11%	34,143,227	3.4%	4.0%	-19.98%	-9.96%	-11.74%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-14.65%	-4.18%
<i>Large Cap - Active</i>																					
Capital Guardian	112,326,473	9.7%	10.0%	17.07%	3.12%	90,458,344	8.8%	10.0%	-10.08%	100,621,236	9.5%	10.0%	7.34%	89,027,456	8.8%	10.0%	-21.51%	-11.30%	-13.17%	-14.96%	0.47%
Bank of Ireland	22,369,117	1.9%	2.0%	19.94%	1.24%	18,286,883	1.8%	2.0%	-10.90%	20,528,497	1.9%	2.0%	7.11%	19,262,251	1.9%	2.0%	-21.62%	-10.28%	N/A	N/A	N/A
Total Large Cap - Active	134,695,590	11.6%	12.0%	17.57%	2.80%	108,745,227	10.6%	12.0%	-10.22%	121,149,733	11.5%	12.0%	7.30%	108,289,707	10.8%	12.0%	-21.53%	-11.12%	-12.19%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-14.65%	-4.18%
<i>Small Cap - Active</i>																					
Lazard	24,667,962	2.1%	2.0%	21.27%	1.49%	20,629,481	2.0%	2.0%	-6.21%	22,000,933	2.1%	2.0%	3.95%	21,591,198	2.1%	2.0%	-17.39%	-2.32%	N/A	N/A	N/A
Wellington	25,882,441	2.2%	2.0%	23.43%	1.85%	21,280,731	2.1%	2.0%	-3.04%	21,961,971	2.1%	2.0%	7.12%	20,707,908	2.1%	2.0%	-17.33%	5.97%	N/A	N/A	N/A
Total Small Cap - Active	50,550,404	4.3%	4.0%	22.37%	1.67%	41,910,212	4.1%	4.0%	-4.63%	43,962,904	4.2%	4.0%	5.50%	42,299,106	4.2%	4.0%	-17.36%	1.75%	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				23.03%	4.80%				-2.09%				1.85%				-15.30%	3.91%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	232,031,094	20.0%	20.0%	18.78%	2.56%	186,475,660	18.1%	20.0%	-8.73%	204,365,939	19.3%	20.0%	6.23%	184,732,040	18.4%	20.0%	-20.31%	-8.22%	-10.49%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				17.26%	2.86%				-9.03%				4.04%				-20.02%	-11.24%	-14.62%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																					
Capital Guardian	62,026,343	5.3%	5.0%	22.61%	5.09%	50,616,695	4.9%	5.0%	-6.12%	53,915,223	5.1%	5.0%	11.72%	48,261,472	4.8%	5.0%	-16.68%	7.15%	-5.69%	-10.61%	1.62%
MSCI Emerging Markets Free				23.38%	5.70%				-5.87%				10.04%				-16.30%	6.96%	1.30%	-7.07%	2.49%
DOMESTIC FIXED INCOME																					
<i>Core Bond</i>																					
Western Asset	8,466,307	0.7%	0.9%	3.62%	0.01%	10,220,354	1.0%	1.1%	3.03%	10,221,994	1.0%	1.1%	2.49%	11,090,622	1.1%	1.1%	3.66%	13.42%	8.87%	11.88%	8.58%
Lehman Aggregate				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
<i>Active Duration</i>																					
WestAM (Criterion)	8,352,964	0.7%	0.9%	2.86%	-0.25%	10,072,576	1.0%	1.1%	1.46%	10,194,930	1.0%	1.1%	2.69%	10,931,445	1.1%	1.1%	2.57%	9.93%	6.00%	9.39%	6.85%
Lehman Aggregate				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
<i>Index</i>																					
Bank of ND	13,813,669	1.2%	1.0%	3.19%	-0.41%	11,855,529	1.2%	0.9%	1.55%	12,181,504	1.2%	0.8%	1.40%	13,187,654	1.3%	0.8%	5.96%	12.59%	9.56%	11.06%	7.79%
Bank of ND Match Loan CD Program	8,852,105	0.8%	0.8%	1.42%	0.47%	9,121,913	0.9%	0.9%	1.41%	9,591,548	0.9%	0.9%	1.43%	9,572,281	1.0%	1.0%	1.44%	5.83%	5.79%	5.84%	5.85%
Total Index	22,665,775	1.9%	1.8%	2.72%	-0.18%	20,977,442	2.0%	1.8%	1.51%	21,773,052	2.1%	1.8%	1.38%	22,759,935	2.3%	1.8%	4.78%	10.77%	9.68%	10.08%	7.44%
Lehman Gov/Credit				3.52%	-0.40%				1.65%				1.73%				5.70%	13.15%	8.24%	10.82%	7.83%

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2003**

	June-03					March-03				December-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2003	5 Years Ended 6/30/2003
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	Net	Net
Convertibles																					
TCW	9,203,724	0.8%	0.9%	11.96%	0.67%	9,729,999	0.9%	1.1%	1.01%	10,316,074	1.0%	1.1%	8.32%	9,817,880	1.0%	1.1%	-9.90%	10.37%	-21.20%	-9.08%	N/A
<i>First Boston Convertible Index</i>				10.64%	0.65%				3.82%				9.83%				-8.56%	15.35%	-12.44%	-3.81%	N/A
BBB Average Quality																					
Strong	8,710,834	0.7%	0.9%	6.37%	-0.01%	10,452,766	1.0%	1.1%	3.27%	10,387,053	1.0%	1.1%	4.11%	10,832,203	1.1%	1.1%	0.40%	14.81%	3.16%	10.35%	N/A
<i>Lehman BBB</i>				6.54%	-0.05%				3.40%				4.59%				2.70%	18.33%	5.85%	9.91%	N/A
Timberland																					
Evergreen (Wachovia)	17,370,319	1.5%	1.5%	2.68%	-1.08%	9,514,905	0.9%	0.9%	6.30%	9,179,043	0.9%	0.9%	3.23%	7,873,179	0.8%	0.8%	-0.15%	12.50%	N/A	N/A	N/A
																		N/A	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	74,769,922	6.4%	7.0%	4.51%	-0.27%	70,968,042	6.9%	7.0%	2.58%	72,072,147	6.8%	7.0%	3.37%	73,305,265	7.3%	7.0%	0.72%	11.62%	2.56%	6.95%	6.77%
<i>Lehman Aggregate</i>				2.50%	-0.20%				1.39%				1.57%				4.58%	10.39%	8.62%	10.07%	7.54%
HIGH YIELD BONDS																					
Western Asset	78,650,619	6.8%	7.0%	8.43%	2.74%	79,204,078	7.7%	7.0%	6.29%	78,455,727	7.4%	7.0%	7.64%	80,966,050	8.0%	7.0%	-3.24%	20.04%	-6.08%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				10.11%	2.88%				7.61%				6.74%				-2.93%	22.77%	-3.60%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																					
International Core																					
UBS Global (Brinson)	26,752,899	2.3%	2.5%	4.63%	-1.66%	57,197,696	5.5%	5.0%	4.00%	54,996,136	5.2%	5.0%	6.07%	58,388,782	5.8%	5.0%	2.40%	18.20%	16.83%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				4.21%	-1.88%				3.73%				6.06%				2.84%	17.91%	15.72%	8.10%	6.29%
Brandywine	26,589,250	2.3%	2.5%	N/A	-0.52%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				N/A	-1.76%				N/A				N/A				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	53,342,149	4.6%	5.0%	4.31%	-1.09%	57,197,696	5.5%	5.0%	4.00%	54,996,136	5.2%	5.0%	6.07%	58,388,782	5.8%	5.0%	2.40%	17.83%	16.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				4.21%	-1.88%				3.73%				6.06%				2.84%	17.91%	15.72%	8.10%	6.29%
REAL ESTATE																					
JMB	37,739			3.63%	4.07%	36,416			-21.97%	62,368			-1.27%	1,034,424			1.94%	-18.62%	0.92%	-5.76%	0.42%
INVESCO	61,337,538			2.80%	1.41%	60,550,555			1.79%	60,467,094			-0.41%	61,479,744			3.78%	8.15%	2.61%	8.00%	7.69%
J.P. Morgan	48,177,582			2.73%	1.03%	46,895,463			1.31%	46,287,042			1.90%	45,423,753			1.64%	7.80%	4.10%	7.36%	10.23%
TOTAL REAL ESTATE	109,552,859	9.4%	9.0%	2.77%	1.23%	107,482,433	10.4%	9.0%	1.56%	106,816,504	10.1%	9.0%	0.65%	107,937,921	10.7%	9.0%	2.78%	7.97%	3.35%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				1.88%	0.62%				1.88%				1.67%				1.79%	7.42%	6.79%	8.44%	10.11%
ALTERNATIVE INVESTMENTS																					
Brinson IVCF III	1,394,815			-0.46%	-0.46%	1,401,319			-7.08%	1,508,090			-16.43%	1,804,611			7.46%	-16.94%	61.30%	3.23%	52.67%
Coral Partners V	10,953,296			1.35%	0.00%	10,821,930			0.57%	10,761,099			-7.89%	10,994,013			-17.47%	-22.52%	-46.32%	-20.83%	-9.87%
Coral Partners V - Supplemental	629,239			-4.98%	0.00%	663,143			-0.31%	665,192			-11.88%	767,748			-14.17%	-28.36%	N/A	N/A	N/A
Coral Partners VI	1,551,160			-7.30%	0.00%	692,239			-11.41%	781,393			-21.31%	635,965			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,788,755			-2.32%	-0.89%	1,939,120			-1.30%	1,964,632			-7.89%	2,244,859			-3.97%	-14.73%	-15.23%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,277,520			-1.04%	-1.04%	2,304,695			-5.12%	2,493,336			-6.50%	2,536,763			-4.67%	-16.31%	-21.70%	-14.42%	N/A
Brinson 2000 Partnership Fund	3,673,124			-1.44%	-2.43%	3,453,276			-4.65%	3,621,669			-1.66%	3,318,861			-6.93%	-13.99%	-14.95%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,267,280			-0.05%	-0.05%	992,597			-3.01%	1,023,467			-1.33%	1,064,380			-1.71%	-5.98%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	767,508			4.49%	4.49%	735,525			7.17%	686,322			-2.74%	717,702			0.15%	9.08%	N/A	N/A	N/A
Brinson 2003 Partnership Fund	86,467			N/A	N/A	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,245,386			1.31%	1.31%	1,231,034			2.03%	1,237,412			-2.36%	1,192,303			12.07%	13.12%	-7.68%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,200,012			-1.06%	-1.12%	1,090,967			4.28%	1,046,248			-0.81%	948,421			7.00%	9.50%	-6.51%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	787,212			0.54%	-0.04%	606,525			2.11%	451,303			-1.54%	466,207			-1.47%	-0.41%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	982,588			0.35%	0.35%	980,487			5.36%	930,626			-0.33%	364,209			-0.04%	5.34%	N/A	N/A	N/A
Brinson 2003 Non-US Partnership Fund	76,197			N/A	N/A	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	6,209,647			-9.85%	0.00%	6,897,372			7.35%	6,425,520			-9.29%	7,204,393			-2.76%	-14.64%	-29.16%	-18.80%	N/A
Matlin Patterson Global Opportunities	12,495,593			3.63%	1.63%	11,166,643			-3.52%	10,629,900			0.00%	9,539,477			N/A	N/A	N/A	N/A	N/A
InvestAmerica	819,551			-7.00%	-7.00%	882,482			0.00%	882,502			-5.91%	953,948			0.00%	-12.50%	N/A	N/A	N/A
Hearthstone	3,984,660			11.95%	0.00%	4,756,928			0.00%	4,219,682			3.48%	4,972,366			11.34%	28.98%	4.99%	13.57%	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	52,190,012	4.5%	5.0%	0.39%	0.04%	50,616,281	4.9%	5.0%	-0.50%	49,328,393	4.7%	5.0%	-3.73%	49,726,227	4.9%	5.0%	-6.14%	-9.74%	-26.09%	-10.93%	4.40%
CASH EQUIVALENTS																					
Northern Trust STIF/STEP	23,857,070	2.1%	2.0%	0.33%	0.05%	18,320,773	1.8%	2.0%	0.40%	16,432,298	1.6%	2.0%	0.42%	10,493,259	1.0%	2.0%	0.68%	1.84%	2.29%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.33%	0.14%				0.30%				0.43%				0.45%	1.52%	2.63%	3.33%	4.07%
TOTAL FUND	1,162,665,199	100.0%	100.0%	12.93%	1.62%	1,030,724,262	100.0%	100.0%	-2.27%	1,057,736,993	100.0%	100.0%	5.34%	1,006,314,110	100.0%	100.0%	-12.03%	2.28%	-8.88%	-4.66%	1.45%
<i>POLICY TARGET BENCHMARK</i>				12.74%	1.57%				-2.58%				5.44%				-12.25%	1.62%	-9.26%	-6.16%	0.99%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.